

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 9279 / November 16, 2011**

**SECURITIES OF EXCHANGE ACT OF 1934**  
**Release No. 65758 / November 16, 2011**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-14628**

**In the Matter of**

**MORGAN STANLEY  
INVESTMENT  
MANAGEMENT INC.,**

**Respondent.**

**ORDER UNDER SECTION 27A(b) OF THE  
SECURITIES ACT OF 1933 AND SECTION  
21E(b) OF THE SECURITIES EXCHANGE  
ACT OF 1934, GRANTING WAIVERS OF  
THE DISQUALIFICATION PROVISIONS OF  
SECTION 27A(b)(1)(A)(ii) OF THE  
SECURITIES ACT OF 1933 AND SECTION  
21E(b)(1)(A)(ii) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**I.**

Morgan Stanley has submitted a letter, on behalf of themselves and any of their current and future affiliates, dated October 20, 2011, requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from its settlement of an administrative proceeding instituted by the Commission.

**II.**

On November 16, 2011, pursuant to Morgan Stanley Investment Management Inc.’s (“MSIM”) Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against MSIM. Under the Order, the Commission found that MSIM, the primary investment adviser to The Malaysia

Fund, Inc. (“Fund”), represented to investors and the Fund’s board of directors (“Board”) that the Fund’s Malaysian sub-adviser was providing certain services that the sub-adviser in fact was not providing. MSIM also did not adopt and implement procedures governing its oversight of the Fund’s Malaysian sub-adviser and its provision of information regarding the sub-adviser’s services to the Board in connection with the investment advisory contract renewal process. Accordingly, the Commission found that MSIM willfully violated Sections 15(c) and 34(b) of the Investment Company Act, and Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. In the Order, the Commission ordered MSIM to cease and desist from committing or causing any violations and any future violations of Sections 15(c) and 34(b) of the Investment Company Act, and Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, ordered MSIM censured, and ordered MSIM to pay a civil money penalty in the amount of \$1,500,000 and to comply with undertakings.

### III.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is “made with respect to the business or operations of an issuer, if the issuer ... during the 3-year period preceding the date on which the statement was first made ... has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

### IV.

Based on the representations set forth in Morgan Stanley’s October 20, 2011 request, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the issuance of the Order is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to Morgan Stanley and any current or future affiliates resulting from the issuance of the Commission’s Order against MSIM is hereby granted.

By the Commission.

Elizabeth M. Murphy  
Secretary